



# California Workforce Investment Board Agenda Packet



**Wednesday**  
**November 19, 2003**  
**9:30 a.m. – 4:30 p.m.**  
*Sierra Health Foundation*  
*1321 Garden Highway*  
*Sacramento, California*



# CALIFORNIA WORKFORCE INVESTMENT BOARD



**MEETING NOTICE**  
**Sierra Health Foundation**  
**1321 Garden Highway**  
**Sacramento, California**

Lawrence Gotlieb  
Chairman

Christine Essel  
Vice Chair

**Wednesday, November 19, 2003**  
**9:30 a.m. – 4:30 p.m.**

Andrew R. Baron  
Executive Director

Stated time of meeting conclusion is approximate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

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In order for the State Board to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the California Workforce Investment Board must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

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**Welcome and Opening Remarks**

- **Jacqueline Segersten, Sierra Healthcare Foundation**
- **Larry Gotlieb, Chair**

**Action Item - Approval of State Board Meeting Minutes**

**CALIFORNIA WORKFORCE INVESTMENT BOARD**  
**May 21, 2003**

**MEETING SUMMARY**

On May 21, 2003, the California Workforce Investment Board (State Board) convened at the Radisson Hotel in Sacramento. The following persons were in attendance:

**Board Members**

Larry Gotlieb, Chair  
Chris Essel, Vice Chair  
Norris Bishton  
Kenneth Burt  
James Crettol  
Scott Hauge  
Mary Haywood  
Sukhee Kang  
Bill Lloyd  
Matt McKinnon (designee for Steve Smith)  
Kathleen Milnes  
Elvin Moon  
Upesi Mtambuzi (designee for Isaiah Turner)  
Jack O'Connell  
Patti Nunn (designee for Miguel A. Pulido)  
Bessie Papailias (designee for Maria Contreras-Sweet)  
Pete Parra  
Frank Quintero, Sr.  
Arturo Rodriguez  
Rona Sherriff (designee for Wesley Chesbro)  
Jan Vogel (designee for Jerome E. Horton)  
Pat Wise (designee for Art Pulaski)

**Staff Members**

Andrew Baron, Executive Director  
Paul Gussman, Deputy Director  
Jane Canty  
Megan Juring  
Zo Ann Laurente  
Dave Mar

**Welcome and Opening Remarks**

Chair Larry Gotlieb welcomed everyone. He noted that the State Board would be meeting as a committee of the whole.

Mr. Gotlieb reviewed some of the major topics discussed by the State Board at the strategic planning session at the University of California Los Angeles (UCLA) in February. He mentioned that the State Board established a Council of Economic Advisors to provide input and advice on trends in the California economy. In addition, the State Board heard presentations from UCLA Chancellor Albert Carnesale; Tal Finney, representing Governor Gray Davis; Steve Smith from the Labor and Workforce

Development Agency; and experts such as Bob Knight and Michael Brustein. He asked State Board members to reserve the dates of February 8-9, 2004, for the next strategic planning session in San Francisco.

Mr. Gotlieb noted that Mr. Brustein would be providing an update on prospects for Workforce Investment Act (WIA) reauthorization. He reported meeting with Congressman Buck McKeon, chair of the House subcommittee looking at WIA reauthorization, to emphasize the importance of maintaining California's WIA funds. He added that California has seen a 30 percent reduction in WIA funding in recent years, which is particularly troublesome at a time when unemployment has increased and the economy is in a downturn.

Mr. Gotlieb introduced Mr. Matt McKinnon, the Labor and Workforce Development Agency's newly appointed Deputy Undersecretary for Employment and Workforce Development, and invited him to address the State Board. Mr. McKinnon stated that in his first 15 days on the job, he has been working to foster greater collaboration between the different training entities in the state. He asked for the State Board's assistance in looking at how best to spend the 25 percent dislocated worker funds allocated to the state and requested that the State Board establish a subcommittee for that purpose.

Mr. Gotlieb commented that the State Board has been working to provide input on the 25 percent funds and would be happy to assist. He indicated he would confer with the staff and solicit volunteers to serve on the advisory subcommittee. He thanked Mr. McKinnon for providing this opportunity for the State Board to have a say.

Mr. McKinnon also stated that marketing to businesses will also be a major thrust of the Agency's efforts, and he welcomed State Board assistance on this as well. Mr. Gotlieb agreed that market penetration of the employer community should be a high priority, and he pledged the State Board's support of this effort as well.

Vice Chair Chris Essel noted that Mr. Scott Hauge has been working extensively with small businesses already. Mr. Gotlieb welcomed Mr. Hauge's assistance in putting together a task force to work on marketing to businesses.

Mr. Gotlieb introduced Mr. Bill Simmons, a member of both the Yuba City Board of Supervisors and the California Economic Strategy Panel. He commented that Mr. Simmons is joining the State Board as an ex officio member to help link the State Board's efforts with those of the Economic Strategy Panel.

Mr. Gotlieb invited Executive Director Andrew Baron to address the State Board. Mr. Baron noted that in the Small Business Forums held throughout the state, one of the chief needs identified by employers is essential employability skills, or "soft skills" training. Mr. Baron also stated that one of his primary interests is working to transform high school education in order to make the system more relevant to the world of work. He emphasized the importance of reaching out to farmworkers, youth, and other difficult-to-serve groups. He added that he looks forward to working closely with the new Superintendent of Public Instruction, Jack O'Connell, in a collaborative process.

Mr. Jan Vogel commented that the South Bay Workforce Investment Board (SBWIB) developed a soft skills training program several years ago. He stated that the South Bay WIB worked closely with local small businesses and educators to develop a curriculum, which was adopted by many high schools in his area. The curriculum was provided to the California Department of Education and is available to anyone who may be interested.

Mr. Gotlieb noted that focusing on innovation and best practices was a goal discussed at the UCLA strategic planning seminar. In response, the State Board assigned Ms. Jane Canty to concentrate on that area. Mr. Gotlieb suggested that Ms. Canty contact Mr. Vogel and other State Board members about innovative programs taking place in their areas. He agreed that the state needs to develop effective programs to teach soft skills in response to the needs expressed by California employers.

Mr. Gotlieb welcomed Superintendent Jack O'Connell and invited him to address the State Board members. Superintendent O'Connell affirmed the Department of Education's interest in fostering career technical education and working with the employer community. He noted the state's economy is dependent on the educational system to make sure future workers are well-trained and productive. Superintendent O'Connell added that the state's new content standards and measurement tools will help ensure student competencies. He commented that he looked forward to working with the State Board in a collaborative manner.

### **Update on WIA Reauthorization**

Mr. Gotlieb introduced Mr. Michael Brustein of Brustein & Manasevit, one of the nation's leading experts on trends in the field of workforce investment, and asked him to update the State Board on the WIA reauthorization process.

Mr. Brustein stated that Congress is not likely to take action on WIA reauthorization until at least next fall. He noted Congress is still divided along partisan lines, as evidenced by the fact that the reauthorization bill passed out of the House by a very close vote. He added that previous workforce development legislation had much more bipartisan support.

Mr. Brustein highlighted the key provisions of HR 1261, the House's reauthorization proposal. First, he congratulated Mr. Gotlieb on his advocacy efforts and noted that many of the State Board's suggestions were incorporated into HR 1261. He noted the most controversial provisions of the bill include an exemption for faith-based organizations to allow them to discriminate in their hiring practices and the block grant approach to funding. Mr. Brustein pointed out that although block grants give states greater flexibility, they are likely to result in lower funding amounts.

Mr. Brustein commented that another controversial provision of HR 1261 is the proposal dealing with One-Stop infrastructure costs. He explained that under the existing WIA, each One-Stop partner is required to contribute a proportional share of its funds to support core services and administration. However, since WIA was enacted, many local One-Stop partners have not contributed a proportionate share, leaving most One-Stop programs dependent on federal funds for their basic operations. Mr. Brustein noted that HR 1261 proposes a fundamental change in that arrangement by giving the Governor the ability to take a proportionate amount of each partner's administrative funds off the top to pay for One-Stop administrative costs. The funds would then be allocated to local One-Stops based on a formula adopted by the State Board. Mr. Brustein observed that this proposal provides an opportunity for the State Board to further its goal of collaboration and partnership. He suggested that the change be viewed not as a diversion of funds, but rather as a step towards working together in an integrated fashion.

Mr. Brustein stated that HR 1261 also proposes some changes in WIA governance. In particular, each One-Stop program will no longer have its own representative on local workforce investment boards (LWIBs). On the other hand, Temporary Assistance to Needy Families (TANF) will become a mandatory member, and businesses and faith-based organizations will have an expanded role.

Mr. Brustein stated that in the area of youth, HR 1261 will make youth councils permissive rather than mandatory; it will be up to LWIBs to decide if they want to fund youth councils. Also, the emphasis will shift almost exclusively to out-of-school youth, with a restriction that no more than 30 percent of youth funds can be used for in-school youth.

Mr. Brustein noted that HR 1261 also proposes a change in the allocation of funds between states and LWIBs so that 85 percent of WIA funds will go directly to LWIBs. He stated that another major change is the increased flexibility in the entire process. HR 1261 proposes to simplify the process for certifying eligible providers, gives greater flexibility in delivery of services, and reduces the number of performance measures from 17 to 4. Mr. Brustein concluded by saying that HR 1261 will provide greater flexibility and more opportunities for integration.

Mr. James Crettol asked how LWIBs will be funded if the reauthorization proposal is not acted upon until next year. Mr. Brustein responded that appropriations will continue under the existing WIA until the new law goes into effect.

Ms. Essel asked if any of the new provisions will be implemented before reauthorization is approved. Mr. Brustein explained that all of the changes he discussed are tied to reauthorization, so none of them will be implemented before that time.

Mr. Brustein urged the State Board to consider carefully the proposal to allow the Governor to take One-Stop infrastructure costs off the top of local partners' funding.

Mr. Hauge asked about performance standards for employers. Mr. Brustein answered that the standards are likely to focus on the satisfaction level of business customers.

## **Administrative Items**

### Creation of Workforce Investment Act Task Force

Mr. Gotlieb drew attention to the proposal on Page 23 of the meeting packet for the State Board to create a task force to focus on WIA reauthorization. He asked for Mr. Brustein's ongoing assistance and advice with that group. Mr. Brustein stated that he is already working closely with Mr. Patrick Ainsworth and representatives of the Department of Education, the California Congressional delegation, and people from other large states. He indicated he would be interested in working with the State Board as well.

Ms. Essel noted that the State Board has already been meeting with other large states to discuss issues of mutual concern. Mr. Baron added that WIA reauthorization will dovetail nicely with those efforts. Ms. Essel advocated outreach to the State Legislature as well. She recommended adding this task to the task force's agenda. Mr. Kenneth Burt noted that Mr. Ainsworth has been coordinating the input from labor organizations and the educational community, and he suggested working closely with Mr. Ainsworth.

Mr. Pete Parra observed that the priority placed on unemployed workers and low-income individuals may conflict with the focus on new immigrants. Mr. Brustein explained that the emphasis on unemployed workers and low-income people is a national priority. He indicated Mr. Gotlieb was advocating a change in the allocation formula to provide additional funds for states with more difficult challenges. He noted that each state will have flexibility to establish criteria for LWIBs, and California can direct attention to immigrants as part of that authority.

Mr. Gotlieb thanked Mr. Brustein for his presentation.



#### Creation of Special Committee on Bylaws

Ms. Pat Wise noted that since the State Board was established, there have been numerous changes in operating procedures, reporting responsibilities, and the role of the State Board. She recommended establishing a new committee to develop bylaws that accurately reflect current operations. She noted that the committee would also be charged with addressing other issues related to State Board roles and responsibilities.

Mr. Frank Quintero made a motion, seconded by Ms. Patti Nunn, to approve formation of the special committee as proposed. The motion was carried unanimously by the committee of the whole.

Mr. Gotlieb noted that Mr. Norris Bishton has agreed to chair the committee, and he thanked Mr. Bishton for his willingness to serve. Mr. Bishton invited State Board members with questions and concerns about the State Board's role to volunteer for the committee. He stated that the committee's goal is to make the function of the State Board more meaningful.

Mr. Bishton noted that the committee will be coming back to the State Board with concrete proposals at the next meeting.

#### Federal Waiver Application

Ms. Wise noted that the WIA allows states to ask for federal waivers in certain areas where additional flexibility is needed. The State Board staff and CWA solicited recommendations from the field on the kinds of waivers that would be appropriate for California, and three specific needs were identified. First, Ms. Wise recommended seeking a waiver to increase authority for transfer of funds between adult and dislocated worker funds from 20 percent to 30 percent. A second waiver would permit the use of individual training accounts for older youth. Third, she suggested extending the initial period of training provider eligibility. Ms. Wise noted that the three waiver requests will be submitted to DOL.

#### Update on Provisional Local Workforce Investment Board Recertification and Redesignation of Local Workforce Investment Areas

Ms. Wise stated that the State Board has been in the process of redesignating 49 local workforce areas and recertifying 48 LWIBs. The City of Oakland and City of San Bernardino were sent letters last year giving them provisional redesignation status until they came up to the standards set by the State Board. Los Angeles County was instructed to address the absence of private sector membership on its LWIB.

Mr. Dave Mar provided an update on the status of Oakland, San Bernardino, and Los Angeles County. He commented that Oakland representatives met with State Board staff and identified a number of corrective actions. Oakland is now meeting at least nine of the eleven standards by over 80 percent, consistent with State Board policy. Mr. Mar added that it appears Oakland will be eligible for full redesignation soon.

Mr. Mar stated that San Bernardino is still having problems meeting performance goals only meeting six of the eleven standards, which is down from seven of eleven a few months ago. He commented that a team of State Board staff and EDD representatives will work with San Bernardino to try to help them improve their performance. He added that by June 30, the State Board staff will be ready to recommend some administrative action.

Mr. Mar indicated that Los Angeles County recently nominated the last three representatives to serve on its LWIB. If the nominations are approved by the Board of Supervisors, Los Angeles County LWIB will then have a business sector majority.

Ms. Essel thanked Ms. Wise and Mr. Mar for the update.

Universal Access Work Group - Linkages to the Workforce Inclusion Act

Ms. Megan Juring noted that California currently has about one million people with disabilities receiving federal and state cash benefits totaling nearly \$9 billion annually. Of those people, less than 50 percent reported being employed in 2000. In response to this situation, in September 2002 the Legislature passed Assembly Bill (AB) 925, the Workforce Inclusion Act, as a way of improving employment prospects for adults with disabilities.

Ms. Juring stated that AB 925 has five major provisions. First, it requires the new Labor and Workforce Development Agency to coordinate with the Health and Human Services Agency to implement a sustainable, comprehensive strategy to bring people with disabilities into employment at a rate comparable to the general adult population. Second, it allows the state's personal assistant program to be available in the workplace as well as at home. Third, AB 925 provides new roles and responsibilities for the Governor's Committee. Fourth, it requires the state and LWIBs to include people with disabilities. Fifth, it provides for training and benefits planning by the State Departments of Health Services, Social Services, and Rehabilitation as a means to foster self-sufficiency and improved employment outcomes for people with disabilities.

Ms. Juring invited Mr. Gary Leete, Deputy Director for Employment Preparation Services of the California Department of Rehabilitation, to discuss some of the Work Group's outcomes and activities.

Mr. Leete noted that the Universal Access Work Group, chaired by Department of Rehabilitation Director Catherine Campisi, was created to assist local workforce investment areas in making One-Stop Centers physically and programmatically accessible to people with disabilities. He stated that Work Group members include representatives from independent living centers, benefits planning, assistance and outreach programs, the Legal Aid Society, and the California Workforce Association.

Mr. Leete stated that the Universal Access Work Group created three work groups and a subgroup that meet independently to identify issues and possible actions. Using the Governor's WIA 15 Percent Discretionary Funds, he commented that the Assessment and Standards Work Group developed a physical and program access self-assessment tool. The Department of Rehabilitation has followed up by providing training on the use of the tool to One-Stop Centers. The Employment Development Department is also incorporating the tool into its overall compliance monitoring program.

Mr. Leete reported that the Training and Technical Assistance Work Group is developing a compilation of promising practices to share with One-Stops throughout the state and a collection of frequently asked questions. As part of this effort, the Department of Rehabilitation has provided a toll-free hotline number to answer questions from One-Stops. The Work Group is also planning a second training symposium to be held in Oakland on October 7 and 8.

Mr. Leete indicated that the Administration and Monitoring Work Group reviewed ideas for using the additional \$1.4 million from the Governor's WIA 15 Percent Discretionary Funds and is recommending a statewide capacity-building effort, a second regional training symposium, an intensive training pilot project for One-Stops serving customers with mental health impairments, and additional training for service providers. Mr. Leete noted that the Work Group is also recommending a demonstration grant program for local workforce investment areas. As part of this effort, the Universal Access Work Group will solicit proposals for innovative projects with nonprofit, private, and county organizations to improve outreach, service delivery, and outcomes for people with disabilities.

Mr. Leete commented that the Learning Disability Work Group has been working on a report for One-Stop Center staff about learning disabilities and developing future training sessions.

Mr. Leete described a number of activities funded with \$1.4 million from the Governor's Discretionary Funds, including training in employment law, disability etiquette, and access issues; a Department of Rehabilitation hotline; a disability awareness training program that can be sustained at the local level; an employment symposium; and additional aids and services to local workforce areas. He added that the Department of Rehabilitation obtained a grant to train 25 workforce accommodation specialists, who will be stationed at One-Stop Centers.

Mr. Leete indicated that the Universal Access Work Group will continue to make policy recommendations to the Governor's Committee.

Ms. Catherine Kelly-Baird, Executive Director of the California Governor's Committee on Employment with People with Disabilities, noted that the Committee has been in existence since 1947, when it was formed to facilitate employment for disabled veterans of World War II. The committee has changed over time in response to the needs of the state, its people, and its businesses. Ms. Kelly-Baird noted that the members of the Governor's Committee are all volunteers and include representatives from government agencies, community organizations, and private industry. Over its long history, the Committee has created a program to increase hiring of people with disabilities in the entertainment industry, sponsored annual Youth Leadership Forums for Students with Disabilities, founded a Business Leadership Network, and established an annual awards program to recognize best practices. Ms. Kelly-Baird stated that the Governor's Committee also works with mayors' committees throughout the state to provide services to business and industry and people with disabilities at the community level.

Ms. Kelly-Baird noted that AB 925 presents exciting opportunities for the Governor's Committee because it mandates collaboration and gives the committee a central role in policy development and implementation. She indicated that the committee looks forward to working with the State Board on issues of common concern. Ms. Kelly-Baird added that the members of the Governor's Committee created a nonprofit corporation, the Friends of the California Governor's Committee, and she welcomed financial support.

Mr. Hauge expressed an interest in working with the Governor's Committee. He commented he developed a partnership program in San Francisco with small businesses, independent-living groups, and other organizations to conduct an outreach program for small businesses on Title 24 and the Americans with Disabilities Act.

Mr. Gotlieb thanked the presenters for the update.

### **Council of Economic Advisors Presentation - California Business Climate**

Ms. Essel introduced a panel of economists that provided State Board members an update on trends in the national, state, and local economies. Mr. Steve Levy, Center for Continuing Study of the California Economy, introduced the presenters.

Mr. Anil Puri, California State University Fullerton, provided an overview of the national economy and economic conditions in Southern California. He displayed charts illustrating slow growth in the gross domestic product, continuing low employment rates, and low levels of consumer confidence. Mr. Puri noted that in contrast to these negative trends, productivity has been steadily growing. He stated that

future economic prospects depend in large part on a number of unknown factors: consumer spending, interest rates, business investment, the impact of the proposed federal tax cut, trade deficits, the state budget crisis, and global trade. Mr. Puri predicted a slow rate of growth in the coming months, resulting in a slow recovery from the recent recession.

In looking at the Southern California economy, Mr. Puri discussed high unemployment rates and slow payroll growth. He noted that the Riverside-San Bernardino area has fared better than the rest of the state on those indicators, while Orange County is at about the statewide average, and Los Angeles County is lagging behind other regions.

Mr. Levy displayed charts comparing job growth in California with the rest of the U.S. He commented that with the exception of the Bay Area, California is faring about the same as other areas of the country. He stated that compared with the period after the 1991 recession, economic recovery has been very slow, primarily due to the growth in productivity over the past few years and the failure of government to provide sufficient stimulus.

Mr. Dan Ripke, California State University Chico, reported on economic conditions in the Central Valley and the northern part of the state. He noted this area has experienced very weak growth in population compared to other parts of California. Housing costs are relatively low, but the current infrastructure is showing signs of stress. Mr. Ripke commented that northern California counties have a higher median age than other parts of the state. Employment has not kept pace with growth in the labor force, resulting in high unemployment rates. Mr. Ripke pointed out high concentrations of poverty and low educational attainment levels for this area. However, because of low housing costs, home ownership rates are higher than other places in California. Because of the migration of people to the area and low labor costs, there are opportunities for entrepreneurial start-ups that may not exist elsewhere.

Mr. Ripke expressed concern about the impact of state budget cuts on the community college system. He noted that financial constraints are exacerbating the already inadequate infrastructure, causing strain on roads, hospitals, public services, and training facilities. He concluded with the following summary: employment growth has not kept up with population, lower housing costs than in other parts of the state are attracting people to the area, and this migration is putting a strain on the infrastructure.

Ms. Deborah Reed, Public Policy Institute of California, discussed wage trends and racial and ethnic gaps in wages. She stated the disparity between high wage earners and low wage earners is growing in California, and education plays a major role in this relationship. Racial and ethnic gaps continue, although education is an important factor in helping to narrow the divide.

Ms. Reed displayed charts comparing what typical workers earned from 1979 to the present. She noted that high wage earners once earned about four times what low earners were paid, but the gap has now increased to six-and-a-half times what low earners make. She noted that there has been a significant decline in the earnings growth of low-wage workers, and the value of education appears to be the most important explanatory factor.

In looking at racial and ethnic wage gaps, Ms. Reed pointed out differences in what native-born and immigrant workers earn. Again, she noted, education is a key factor. She contrasted the wages of Hispanic men and women, African-American men and women, and Asian men and women. She noted that for Hispanics and Asians, education and occupation explain most of the differences. However, for African-Americans, gaps still persist, possibly due to societal factors such as racial discrimination. Ms. Reed urged the State Board to focus on bringing low-wage workers up through education and skills training.

## **Lunch Presentation**

Ms. Essel introduced Ms. Virginia Hamilton, California Workforce Association (CWA), and invited her to discuss CWA's compilation of best practices, a publication entitled "50 Stories, One System."

Ms. Hamilton stated that CWA's book "50 Stories, One System" was published the previous year for a conference in Washington, DC as a way of highlighting some of the successes and accomplishments of the local workforce investment boards in California. She noted that many legislators are not familiar with the names of their local boards and programs, and this lack of understanding has been one factor leading to a loss of \$175 million in federal funding to California over the past few years.

Ms. Hamilton described four major themes running through "50 Stories, One System:" the fact that LWIBs are providing services to more people despite having less money and fewer staff resources; the importance of collaboration, integration of services, and partnerships; the strong role LWIBs are playing in community leadership; and the proliferation of innovative programs serving youth. She indicated CWA is working on developing a similar compilation of best practices focusing on youth programs.

## **Strategic Plan Update**

### Strategic Plan: 2003/04 Priorities

Ms. Essel reviewed recent updates to the State Board's Strategic Plan and its priorities. She noted that the plan focuses on six specific goals, each championed by a State Board member.

Ms. Trish Kelly stated that at the February retreat, the State Board and its partners reviewed their accomplishments over the past year and realigned the priorities and work plan accordingly.

### Economic Information - California Regional Economies Project

Ms. Kathleen Milnes stated that she would be combining her report on Goal 1, Economic Information, with a report on the California Regional Economies Project, a joint venture with the California Technology, Trade, and Commerce Agency and the California Economic Strategy Panel. Ms. Milnes noted that the goals of the project are to help link workforce development and economic development, to make the best use of scarce resources, to gather information from multiple sources to create a clearer picture and improve outreach to LWIBs, and to provide a source of accessible and useful information.

Mr. Simmons added that the partnership between the State Board and the Technology, Trade, and Commerce Agency will benefit both state government and the citizens of California. He noted that accurate and timely information is essential in identifying ways of stimulating the state's economy, and workforce development will be a crucial part of the recovery plan for California. He thanked Mr. Baron and Mr. Gotlieb for inviting him to serve on the State Board and commented he looked forward to working closely with Ms. Milnes and the staff.

Ms. Milnes noted that the California Regional Economies Project is overseen by a joint committee of representatives from the State Board and the Strategy Panel. The joint committee will be soliciting input from a wide range of user and stakeholder groups through a series of regional forums to identify their specific training needs. The committee will then develop annual reports for the nine regions of the state, focusing on overall regional trends in jobs, income, population, major industries, and other key indicators. Ms. Milnes noted that the committee will also be preparing three monographs or case studies based on its research.

Mr. Simmons added that one innovative aspect of the project is its region-specific approach. He noted that the intent is to provide data that is meaningful to One-Stop providers and local communities, so that they can make informed decisions about training strategies.

#### Collaboration

Mr. Hauge stated that besides working with small business, he plans to broaden his efforts to include the entire business community and other State Board partners. He commented that Strategic Plan priorities include effective partnership and advocacy, bringing system partners together, taking a leadership role in policy and legislation, strengthening employer services, marketing One-Stops, and building stronger relationships with local boards and the private sector. He noted that the collaboration group divided activities into two levels of priorities. High-priority tasks are creating and advocating a federal legislative agenda for WIA reauthorization, proposing WIA funding allocations, launching a marketing campaign for One-Stops, defining priority employer services, conducting outreach, and developing performance measures. Mr. Hauge stated that the group also hopes to strengthen its relationship with local board chairs and employers, and develop an outreach accountability and partnership strategy with the State Legislature. Other activities include updating and modifying the state's five-year workforce investment plan and laying the groundwork for comprehensive workforce system planning for the next program year.

Mr. Hauge invited any interested State Board members to join the collaboration group to help work on these items.

#### Innovation

Ms. Canty reported on Goal 3, Innovation, on behalf of team leader T. Warren Jackson. She commented that given this year's budget constraints, the innovation group will be looking especially for replicable projects that save money and lead to increased program efficiencies and improvements in customer service. Activities will include developing a promising practices Web page, identifying ways to measure innovation, and considering proposals for recognizing return on investment strategies. In the future, the group plans to look at ways of increasing funding for innovative projects.

Ms. Canty noted that besides designating an innovations officer, the State Board staff is working to improve the Web site and to publish an "Innovation Works" newsletter, and is soliciting ideas for successful examples of innovation.

Ms. Canty commented that CWA's "50 Stories, One System" is a good example of how innovation can be recognized and publicized.

#### Quality and Performance

Ms. Zo Ann Laurente reported on behalf of Mr. Victor Franco. She noted that the Goal 4 group will be working under the auspices of the Board's Performance Based Accountability (PBA) Committee. Priority areas include ongoing monitoring of WIA impact, and that of performance mandates on the PBA system; providing input on the simplification of performance measures; enhancing the current PBA system to make it more flexible, timely, and useful; working with the workforce preparation system, government departments, and agencies; and working to become a clearinghouse of data and information on workforce preparation performance measurement. Ms. Laurente added that the PBA Committee will be considering publication and dissemination of the fourth annual PBA report at its May 29 meeting.

### Administrative Excellence

Ms. Wise stated that the goal of administrative excellence focuses on compliance with WIA requirements, improving State Board functions, obtaining a new Executive Order to clarify the State Board's role, and adopting new policies for State Board effectiveness. She noted that part of this effort will involve developing an administrative calendar for WIA compliance, developing a method for training implementation of the strategic plan goals, and planning the Board's 2004 strategic seminar.

### Youth

Mr. Burt reported that the State Youth Council is working on creating a comprehensive youth plan for the state, building the capacity of local youth councils, implementing the "all youth-one system" approach, establishing a youth voice network, and developing a database of California's youth population and available services for youth. Mr. Burt commented that the State Youth Council is taking steps to increase involvement of young people by increasing the number of youth on the Council and establishing a new advisory body to provide additional input.

Ms. Essel commended the team leaders, work group members, staff, and consultants for their progress in aligning their activities with the State Board's priorities.

### **Other Business**

As there were no items of new business brought to the attention of the State Board, Ms. Essel thanked all participants for their attendance and adjourned the meeting.

**Action Item – WIA 25 Percent Dislocated Worker Funds Work  
Group: Report and Recommendations**



## **WIA 25 PERCENT DISLOCATED WORKER FUND WORK GROUP REPORT AND RECOMMENDATIONS**

### **Recommended Actions**

1. Recognize EDD's work to implement an improved process for streamlining the funding process for the Rapid Response funding, through a collaborative effort with CWA and Local Areas.
2. Approve the Work Group's work plan for developing recommendations on funding priorities for the selection criteria for next year's Rapid Response grant process.

### **Background**

The Dislocated Worker Work Group was established to look at opportunities where the State Board may impact the state's effectiveness in responding to lay-off situations, including efforts to avert such layoffs or to assist the workers being laid off, when the layoff cannot be avoided. This will include recognition of local efforts that are promising, as well as policy suggestions for the State Board's future consideration.

California receives federal funds for "Dislocated Worker" services under the WIA to respond to lay-off or potential lay-off situations. Services include job training and placement services for dislocated workers. A portion of the funding is called "Rapid Response" funding and is for quickly responding to lay-off/potential lay-off situations whenever the Local Areas become aware of such a situation. Rapid Response activities fall into either of two categories: Required Activities or Allowable Activities. Required Activities include outreach to affected businesses and their employees to provide information on available job training and placement services. Allowable Activities include but are not limited to system-building efforts to improve effectiveness and timeliness, and also include pre-emptive/proactive lay-off aversion activities. Another portion of the funding is for "Additional Assistance." The Local Areas apply for "Additional Assistance" funding when their allotted funding for the training and placement of dislocated workers is not adequate to meet the local demand.

### **The First Meeting**

The Work Group's first meeting was held on October 6, 2003, by conference call. Participants formally recognized the Employment Development Departments' Workforce Investment Division efforts this year in implementing an improved process for allocating Base Line Rapid Response and Additional Assistance Funds. EDD's goal was to make the process timelier and more rational across the State than in previous years. The funds allocated by formula were made available earlier; however, the competitive grant funds were still pending at the time of the Work Group's meeting. The Work Group felt that the Rapid Response process could be further

improved to better distribute these funds quickly to where they are most needed. The members will look at ways that the State Board may support EDD's continuing efforts.

The Work Group also discussed developing a policy framework for the Rapid Response System, which would include priorities for the selection criteria for future competitive grant processes. This will be a priority for the Work Group over the next several months, as reflected in the work plan below.

In addition to priorities for the selection criteria, the members identified several other issues or areas that they may want to explore further, as part of their work. Members offered ideas on issues for the Work Group's attention. These suggestions include taking a closer look at the way the Rapid Response funds are allocated; considering setting aside funding for closures and allocating the rest back to the Local Areas; considering an active role for the State Board in formula allocations with regard to the impact on rural versus urban areas; further defining the work allowed under "Required Activities" and consider active layoff aversion as qualifying for use of those funds; ensuring that funding is available for the "infrastructure" needed to deliver Rapid Response services; understanding the reasons for disparity in costs - variations in costs from area to area; and, establishing a common language with consistent definitions for common terms (e.g., "orientation"). The Work Group will select issues for further review from these, and other issues brought to the group's attention.

The Work Group asked State Board staff to conduct research and provide specific information for the Work Group's next meeting, including the median cost for Rapid Response orientation activities; the competitive grants funded (once funded), in what areas, and what types of services will be provided; and, the related unemployment information and other descriptive information for those areas receiving funding. Members felt that a more in-depth understanding of this information, and of the broader category of Dislocated Worker funding, is very important to their discussions of the immediate and long-term issues they plan to address. The Work Group decided that a face-to-face meeting is required for the next meeting to adequately discuss and develop suggested policy.

### **Work Group Proposed Activities and Timelines**

The following is a timeline for determining priorities for the selection criteria for next year's competitive grant funding cycle. During this same time period, the Work Group will also address other issues affecting the Rapid Response system. The recommendations for funding priorities will be taken to the Board as they are finalized, while work continues on the other issues. The recommendations will become a part of a policy framework for the Rapid Response System. The Work Group may establish a timeline for developing the complete policy framework during their next few meetings.

- Second Work Group meeting – week of December 1, 2003
  - Review data requested of State Board staff and begin preliminary discussion on potential Rapid Response funding mechanism and processes that need improvement.
  - Identify Work Group suggestions so that State Board staff can begin process of preparing draft policy language and formal application criteria for Rapid Response Additional Assistance Funds.
- Third Work Group meeting – week of January 12, 2004
  - Work Group members review draft policy language and offer final suggestions. Members are asked for final edits and for the “sense of the group” as to moving its recommendations forward to the full State Board.
- Policy Recommendations – February 2004
  - The Work Group submits recommendations for State Board action.
- Once adopted, the State Board’s policy regarding priorities for the selection criteria will be formally communicated to EDD for their action.

**Action Item – Approval of Draft WIA Five Year Plan  
Supplement: Release for Public Comment and Chair’s Submittal  
of Final Plan Supplement**

## WIA Five-Year Plan Supplement

### Recommended Action

Approve release of the draft plan supplement to current *Five-Year WIA and Wagner-Peyser Plan* for public comment and the Chair's submittal of the final plan supplement.

### Background

The State Board is responsible for assisting the Governor in policy determinations relating to the Workforce Investment Act, including developing and making modifications to the State's Strategic Five-Year plan.

The DOL provided initial approval in June 2000, of the State of California *Strategic Five-Year Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act*. The Plan received full approval in February 2001 upon inclusion of the State Board Vision and Goals; a plan for Comprehensive Youth Services; and a Capacity Building Strategic Plan.

Since California's Five-Year Plan was fully approved in February 2001, the State has made significant structural and policy changes, and negotiated new performance levels for the next two program years that have been compiled in a supplemental document for submission to the Department of Labor. The modifications proposed will ensure that California's State Plan reflects the:

- Results of the strategic planning seminars held by the State Board;
- Creation of the Labor and Workforce Development Agency;
- Structure of the State Board within the new Agency;
- Newly designated local workforce investment areas and certified local boards;
- Major policies adopted by the State Board;
- Waiver requests submitted to the U.S. Department of Labor; and
- Re-negotiated and newly-negotiated performance goals for the State.

The draft plan supplement is included as a separate enclosure to this package. Staff will be incorporating comments from State Board members and upon approval from the State Board will release the document for public comment.

**Action Item – Approval of Chair’s Submittal of Final WIA Title  
1B Annual Report**

## **WIA Title 1B 2002-03 Annual Report**

### **Recommended Action**

Authorize the State Board Chair to approve and transmit the final WIA Title 1B 2002-03 Annual Report to the Department of Labor by December 1, 2003.

### **Background**

The State Board is required to submit an annual report that contains performance and outcome data each year. Similar to last year's report, the 2002 report contains workforce initiatives, successes, and outcomes for the third year of WIA implementation.

The attachment provides a high level outline of the information to be included in the report. California's 2002-03 Annual Report is a depiction of the challenges California encountered, Governor's initiatives, State Board accomplishments and strategies, and local and State innovations that demonstrate achievements related to the State Board's strategic goals. The Annual Report also includes performance information that will be provided by the Employment Development Department in late November for each of the 50 local workforce investment areas.

A draft of the annual Report will be provided to State Board members for review and comment prior to submission.

## **Title 1B 2002-03 Annual Report Outline**

The following provides an outline of the major sections of the Title 1B 2002-03 Annual report.

**Introduction:** This section of the report will describe the approach and objectives of California's WIA Title IB 2002-03 Annual Report.

**Building a Workforce Development System of Education and Workforce Preparation linked to economic development:** This section will include local and State innovations that demonstrate achievements related to the State Board's strategic goals as outlined below.

- ◆ *To ensure that all the partners have the most timely, relevant information about changing workforce needs and investment opportunities.*
- ◆ *To be an Effective Partner and Advocate, and Bring System Partners Together.*
- ◆ *To Create, Nurture and Reward a Culture of Innovation*
- ◆ *To Raise the Quality of the "Field of Practice" and Performance of the Overall Workforce Development System.*
- ◆ *To ensure administrative excellence, including compliance with WIA requirements, to support achievement of all strategic goals.*
- ◆ *To provide leadership on Youth issues in the state by creating a comprehensive Youth Plan; by providing capacity for local Youth Councils to implement the "All Youth-One System" framework; and by establishing a Youth Voice Network.*

**Workforce Investment Act Title 1 Program Performance:** This section satisfies the WIA requirement to submit performance and outcome information for each of the 50 local workforce investment areas. This section will include information in the following areas:

- ◆ *Overview*
- ◆ *Adult Services*
- ◆ *Dislocated Worker*
- ◆ *Youth Services*
- ◆ *Customer Satisfaction*



**Action Item – Adoption of Conflict of Interest Code**

## **Adoption of Conflict of Interest Code**

### **Recommended Action**

The State Board members adopt the proposed Conflict of Interest Code.

### **Background**

California's Political Reform Act requires all State and local government agencies to adopt a conflict-of-interest code (Code). The Act requires state and local government officials and employees covered under the Code to publicly disclose selected economic information, such as personal assets and income. Under the Act, employees must disqualify themselves from participating in decisions that may affect their personal economic interests. The purpose of financial disclosure is to alert public officials to personal interests that might be affected while they are performing their official duties.

### **Proposed Code**

In accordance with State and Federal Law, the California Workforce Investment Board has developed a Conflict of Interest Code (See Attachment), which is currently working its way through the State's approval process. This Code acknowledges that the State Board complies with all California rules and regulations regarding potential conflicts of interest in the performance of its duties. It also outlines those State Board positions that are covered under the Code. After final approval by the Fair Political Practices Commission (FPPC), State Board members and designated staff will have to file a "Statements of Economic Interest" form with the State Board Chair and FPPC.

In conformance with the State Board's proposed Code, these filings shall cover income and other reportable assets received from sources that directly contract with the State Board and similar firms that could contract with the State Board. Similarly, the State Board's information technology staff designated in the Code, will report income and other reportable assets received from computer companies of the type that contract with the State Board.

### **Approval Process**

State Board staff has been working with the FPPC on the development of this Code and continues to consult with FPPC. In September, State Board staff submitted its "Notice Of Intention" to file a Code with the Office of Administrative Law (OAL) for publication in its registry of proposed State regulations. The OAL filing also began a 45-day period of public comment on the proposed Code. To date, the State Board has received no comments on the proposed Code.

Immediately after State Board approval, the proposed Code and all accompanying comments will be formally transmitted to the FPPC for final action. After the FPPC approves the Code, and the proper State agencies register this action, the Code will become law. The approval process, after State Board Action, could take up to 90 days. State Board staff estimate that the State Board's initial filings of statements of economic interests under the Code will occur by March 2004.

## **THE CALIFORNIA WORKFORCE INVESTMENT BOARD CONFLICT OF INTEREST CODE**

### **Statement of Reasons**

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local agencies to adopt and promulgate Conflict of Interest Codes (“the Code”). The Fair Political Practices Commission has adopted 2 Cal. Code Regs. Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Act after public notice and hearings.

### **Terms of the Code**

The Code for the California Workforce Investment Board (“the Board”) includes all of the provisions of Title 2, Division 6, California Code of Regulations, section 18730 “Provisions of Conflict of Interest Codes.” Therefore, the terms of 2 Cal. Code Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code for the California Workforce Investment Board.

Pursuant to Section 4(A) of the Standard Code, designated officials and employees of the Board shall file statements of economic interests with the Chair of the Board. Upon receipt of the statements of the Board members, the Board shall make and retain a copy and forward the originals of these statements to the Fair Political Practices Commission. Statements for all other designated employees will be maintained with the Workforce Investment Board, which shall make the statements available for public inspection and reproduction.

Authority cited: Section 87306, Government Code.

Reference: Sections 87300-87302, and 87306, Government Code.

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## APPENDIX

### Designated Positions

<u>The Board</u>	<u>Disclosure Category</u>
Board Members and Designees	1
Executive Director	1
CEA 2 (Deputy Director)	1
Research Manager III	1
Research Manager II	1
Staff Services Manager II	1
Staff Information Systems Analyst	2
Assistant Information Systems Analyst	2
External Consultants	*

\*“External Consultants” are included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitations: The Chair of the Board may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s duties and based upon that description, a statement of the extent of disclosure requirements. The Chair’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

### Disclosure Categories

CATEGORY #1: Designated employees assigned to Category 1 shall report as follows: All investments, business positions and income, including gifts loans and travel payments from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training consulting services, or other services of the type utilized by the California Workforce Investment Board.

CATEGORY #2: Designated employees assigned to Category 2 shall report as follows: All investments, business positions and income, including gifts, loans, and travel payments from sources that provide computer hardware, software, services, or products of the type utilized by the California Workforce Investment Board.

**Action Item – Approval of Los Angeles County Local Workforce Investment Board Recertification and Subsequent Designation of City of Oakland and City of San Bernardino Local Workforce Investment Areas**

## **Approval of Local Workforce Investment Board Recertification and Subsequent Designation of Local Workforce Investment Areas**

### **Recommended Actions**

#### **1. Local Board Recertification**

Recertify the Los Angeles County Local Workforce Investment Board based on their successful recruitment and appointment of new private business sector members to create a business majority.

#### **2. Local Area Subsequent Designation**

Approve subsequent designation status for the City of Oakland and City of San Bernardino Local Workforce Investment Areas based on successful attainment of performance measures as required through California Workforce Investment Board (State Board) policy.

### **Background**

At the December 2002 and May 2003 State Board meetings, staff provided the State Board members with information and recommendations for recertifying Local Workforce Investment Boards (LWIBs), including the subsequent designation of certain Local Workforce Investment Areas (LWIAs). Recertification of LWIBs was incumbent upon the fulfillment of required membership under the WIA statutes of 1998. Local Area subsequent designation was based on several factors: 1) Geographical population requirements as outlined in WIA, and 2) Local Area ability to meet state negotiated performance standards consistent with State Board policy for meeting a minimum of 9 of 11 standards.

Staff analysis and follow-up initially concluded that all LWIBs except the Los Angeles County LWIB, met the mandates for Local Board recertification. The Los Angeles County LWIB did not meet the business majority requirements and was also not actively recruiting members to fill the vacancies to maintain a private sector majority. All LWIAs except two (the City of Oakland and the City of San Bernardino) met the requirements for Local Area subsequent designation.

### **Local Workforce Investment Board Recertification**

By action of the State Board in December 2003, the Los Angeles County LWIB was placed on a six-month provisional recertification status because it failed to demonstrate that its Board membership was in compliance with the private sector business majority requirement contained in the WIA and as specified in State Directive WIAD02-5 (September 18, 2002.) This action resulted in Los Angeles County taking immediate corrective action to recruit and fill the necessary private sector business vacant positions.

The Los Angeles County staff were very diligent in taking measures to fill the vacated Board seats. In a letter to the State Board dated April 24, 2003, LA County detailed the actions their Board had taken to fulfill its membership requirements. They provided the names and business summaries of all its members, including the new business sector members, and requested that its LWIB's provisional status be changed to that of a fully recertified LWIB.

Based on information provided by the LWIB, 27 of the 51 approved LWIB seats have been formally filled by private sector business members. Therefore, State Board staff recommends the formal upgrading of the Los Angeles County LWIB from provisional to full recertification status.

### **Local Area Subsequent Designation**

Since December 2002, State Board staff has coordinated closely with the Employment Development Department's Workforce Investment Division (EDD-WID) to provide technical assistance to the two LWIAs placed on provisional designation. These areas are the City of Oakland and the City of San Bernardino.

As reported out to the State Board in May 2003, the City of Oakland staff has been forthright in their efforts to develop a corrective action plan and improve performance. On February 5, 2003, LWIB staff submitted their plan to the Oakland WIB Quality Assurance and Executive Committees as well as their City Council. Based on preliminary 2003 fourth quarter performance data for the City of Oakland, it appears that the Oakland LWIA is at least meeting or exceeding 9 of 11 standards by 80%, as set by State Board policy. State Board staff will have the final fourth quarter data available before the State Board meeting and unless there is a dramatic decrease in reported performance, State Board staff recommends LWIA subsequent designation for the City of Oakland.

The City of San Bernardino submitted a corrective action plan in a January 24, 2003 letter, which provided details on their planned steps and a request for technical assistance from EDD-WID. State Board staff has been working closely with EDD-WID staff to monitor the Local Area's performance, provide technical assistance, and conduct a coordinated onsite formal assessment of the LWIA's total operations. Based on preliminary 2003 fourth quarter performance data, it appears that the City of San Bernardino LWIA will likely meet the State Board required performance. State Board staff will have the final fourth quarter data available before the State Board meeting and unless there is a dramatic decrease in reported performance, State Board staff recommends LWIA subsequent designation for the City of San Bernardino.

**Lunch Presentation – WIA Title II, Adult Education and  
Literacy Update:**

- **Patrick Ainsworth, Ph.D., Division Director, K-12 and Adult Education -  
California Department of Education**

WIA Title II, the Adult Education and Family Literacy Act, is a required, but little known partner in the One-Stop system. This presentation will review the role of Title II, and the relationship between Title II and the One-Stop system. Presenters will discuss joint projects between Title II and State Board staff, and suggest ways to improve collaboration between WIA Title I and II.



**Action Item – Approval of One-Stop Certification and Marketing  
Workplan**

## State One-Stop Career Center System Certification Process

### Recommended Action

The State Board approve the plan for the final phase of development of the state One-Stop Career Center certification process, which entails the implementation of the following:

- Basic standards,
- Quality standards,
- A Self-Study Guide, and
- Training on use of the Self-Study Guide

### Background

The State Board originally established the One-Stop Certification Work Group to explore the issues of state-level One-Stop certification and marketing as a means of validating overall local area workforce systems. Among the Work Group's accomplishments were the policy recommendations and related standards on One-Stop certification that were adopted by the State Board at its meeting in December 2002. This policy is as follows:

*At the State level, One-Stop certification shall (1) be a validation process for local One-Stop certification standards on a voluntary basis; (2) promote the statewide recognition of quality local workforce development systems; (3) enhance public awareness and increase usage of the statewide One-Stop system on the part of businesses, job seekers, and other customers; (4) promote greater stakeholder and partner resource investments; and (5) strive for continuous improvement of customer satisfaction with the services received through California One-Stop centers and sites.*

Last spring, in response to the mandate of Assembly Bill (AB) 444, the State Board convened a One-Stop Data Stakeholders Work Group for the purpose of exploring “the role of one-stop centers, the types of activities taking place in one-stop centers, the appropriate data needed to monitor these activities, the types of data needed to develop public policy for one-stop centers, and the possible methods of data collection.” This fundamental dialogue among One-Stop system stakeholders, with its resulting consensus, are pivotal to the formulation of One-Stop certification standards, the collection of important data on the One-Stop system, and the statewide marketing of One-Stop services.

The Stakeholders Work Group will address its original mandate by continuing the discussion from its initial meeting. In addition, the Group will assist in a more expansive role, focusing on the following issues:

- Defining the role of the One-Stops;
- Developing the basic standards and model for One-Stop certification in California; and
- Coordinating the marketing of California's One-Stop system with the certification process.

### **Proposed Next Steps**

There have been two facilitated One-Stop Data Stakeholder Work Group meetings to define the model and standards for One-Stop certification. The One-Stop certification policy and process will entail two categories of standards: (1) the basic standards developed by the One-Stop Data Stakeholders Work Group, and (2) the quality standards developed by the One-Stop Certification Work Group.

The first category shall be comprised of basic standards, which will be developed by the One-Stop Data Stakeholders Group and will require a fundamental discussion of the role of the One-Stop Career Centers. Upon meeting the basic standards, a local One-Stop system will qualify for primary state certification.

The second category will be comprised of the quality standards for the One-Stop system. These will be derived from standards developed during the recently-concluded work of the One-Stop Certification Work Group. Upon meeting these quality standards, a One-Stop system that has attained state certification would further qualify for competitive state certification awards designed to support continuous improvement.

### **Work Plan**

The following are the proposed remaining steps to be conducted by the contractor to fully implement California's One-Stop Career Center certification process:

#### *Create a Self-Study Guide regarding the certification process*

- Develop an outline for the Guide (Nov-Dec 03)
- Prepare a draft of the Guide (Dec 03-Jan 04)
- Conduct a pilot project on the use of the Guide with a local board and One-Stop Center (Jan-Feb 04)
- Finalize the Self-Study Guide (Feb-March 04)

#### *Develop training and train trainers on use of the Self-Study Guide*

- Develop a training curriculum (Dec 03 – Feb 04)
- Deliver pilot training (March 04)
- Finalize the training curriculum (Mar-April 04)
- Deliver a "train the trainer" session (May 04)

#### *Marketing and Branding*

The timeline for this aspect of the project will be developed in coordination with the One-Stop Data Stakeholders Work Group and the Labor and Workforce Development Agency.

**Panel Presentation – Workforce and the Health Care Industry**

## **Health Care Panel**

Having a well-prepared workforce is a critical issue for the health care industry, and health care is, in turn, crucial to the quality of life for Californians. Therefore, one important task of the workforce development system is to address the serious shortage of health care workers in our state. Many localities already find it difficult to recruit health care providers, from entry-level aides to registered nurses, and the State Board and the Governor are committed to meeting these workforce needs.

This commitment is demonstrated by the Governor's Nurse Workforce Initiative (NWI), an effort to address California's growing nursing shortage. The NWI's primary goal is to increase the pool of licensed vocational nurses and registered nurses, mainly by developing career ladders and upgrading the skills of existing health care workers. Also, the Caregiver Training Initiative (CTI) seeks to address the growing need for health care workers, with \$25 million in WIA funds, 80 percent of which has been spent on training additional licensed nurses. The progress of these vital initiatives will be discussed at the State Board's meeting on November 19.

**WIA Reauthorization Update**

## **Workforce Investment Act Reauthorization Update**

### **Background**

The Workforce Investment Act (WIA) of 1988 requires that the WIA program be reauthorized after its first five years of operation. The House of Representatives passed a WIA reauthorization bill, H.R. 1261, last Spring, and the Senate has introduced a WIA reauthorization bill, S. 1627, on which it has not yet acted. Should reauthorization pass both houses, and then a necessary conference committee, and be signed by the President this year, California would begin implementing amendments to the WIA next year. If reauthorization does not pass this year, then it will be taken up again next year, allowing California further opportunity to interact with the Department of Labor and Congress on issues the State has with proposed WIA amendments.

The California Workforce Association (CWA) created the attached briefing that outlines some comparisons between, and key issues with the two bills. The State Board, CWA, and partner staff continue to track and analyze potential federal amendments to the WIA. Additionally, during its May, 2003 meeting, the State Board authorized a WIA Reauthorization Task Force to oversee the tracking and analysis of reauthorization issues.

### **Progress**

A planning group of key partners met on September 23 to develop recommendations for the membership, purpose, goals, and schedule of this task force. Included in the planning group were representatives from the State Board, the Legislature, the California Workforce Association, the Labor and Workforce Development Agency, the Department of Rehabilitation, and the California Department of Education. The planning group recommends that the WIA Reauthorization Task Force:

- Be renamed the “WIA Implementation Task Force;”
- Be comprised of six to eight public and private sector State Board members;
- Adopt as its purpose the identification and resolution of critical issues with WIA implementation in California, particularly as those issues relate to proposed amendments in federal WIA reauthorization;
- Make recommendations to the full State Board for policies that would address WIA implementation issues in California;
- Form an advisory group of State and local partner staff that would support the Task Force by identifying implementation issues, developing recommendations for addressing those issues, and developing State positions on related federal reauthorization issues; and
- Meet regularly and be of indefinite duration.

# CALIFORNIA WORKFORCE ASSOCIATION

## Key Elements of WIA Reauthorization S.1627 & H.R. 1261

**DRAFT**

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The Senate WIA Reauthorization bill (S.1627) was marked-up by the Senate Health, Education, Labor and Pensions (HELP) Committee on October 2. Senate Leadership has not yet set the date for a floor vote. The House bill (HR 1261) passed the House floor back in May. Below are some key provisions of both bills.

### **Functions of State Board – Sec. 111(d) & 116(a)**

**Current law** describes “development” of the state plan as a function of the State Board. The **Senate bill** expands this to include the “implementation and revision” of the plan. The House bill does not have this language.

The **Senate bill** also adds language that the function of the State Board includes the responsibility for policies on integrated services through One-Stop systems, including allocation and oversight of infrastructure funds, criteria for allocating these funds, roles of One-Stop operators, cost allocation in One-Stops, outreach to individuals and employers, technology to facilitate One-Stops in remote areas, identifying best practices for One-Stops, etc. The **House bill** has same language, but includes “the development of criteria for, and issuance of, certifications of One-Stop centers.”

Both the **Senate and House bills** add the requirement that the state develop statewide criteria to be used by CEOs for the appointment of local boards and for use in certification.

**Current law** requires the state board to assist the governor in the designation of local areas. The **Administration proposed** that redesignation of local areas be at the discretion of the state; it also proposed eliminating a local area’s right to appeal to the Secretary a decision on local designation. Neither the **House nor Senate bills** reopen the issue of designation of local areas.

### **One-Stop Certification – Sec. 121**

The **Senate bill** requires the State Board, in consultation with the Chief Local Elected Officials (CLEOs) and local boards, to establish procedures and criteria to be used by local boards in assessing the effectiveness and continuous improvement of comprehensive One-Stop centers and systems. The Senate bill does not require State certification of One-Stops.

The **House bill** contains similar language, but does authorize the State to establish procedures and criteria for One-Stop certification for the receipt of infrastructure funds. The bill does not require consultation with local boards and CLEOs in this process.

**Comment:** CWA is opposed to state-driven One-Stop certification

### **Infrastructure Grant – Sec. 121**

The **Senate bill** authorizes the governor to use capped portions of partners’ funding (3% for WIA and Wagner Peyser and a phased-in 1.5% for other partners) to create an infrastructure fund to pay the nonpersonnel costs of One-Stops—rent, utilities, maintenance, equipment, and outreach. The funds provided by the partners must come from their administrative category. The State Board is required to



develop a formula (consultation with locals not required) for distributing the funds to local areas. The formula must consider the number of One-Stops in an area, services provided by the centers, and population served.

Costs in “excess” of what is provided under the infrastructure funds and common costs are to be covered by the partners through, presumably, MOUs. Local areas have the option to fund their One-Stops through MOUs with local partners. The provision of core services seems also to be left up to the MOU process. The State Board “shall” provide guidance on determining the appropriate allocation of funds in the MOUs in local areas.

The **House bill** also contains language regarding the infrastructure grant, but appears to have left the details to the Senate.

**Comment:** The Senate’s approach is complicated and ends up falling back on the MOU process. The difficult task of creating a fund is passed on to the states, where infrastructure funding is even less likely to happen. If an infrastructure fund is created, state board should be required to consult local boards on the development of a formula for distribution.

Neither measure proposes a separate funding stream for infrastructure at the federal level. CWA will continue to push for a dedicated funding stream of new money for One-Stop infrastructure.

### **Eligible Providers of Training – Sec. 122**

The **Administration proposal**, similar to the House bill and the Senate bill, eliminates existing training provider reporting requirements and delegates responsibility for identification, collection, and distribution of such information to states. While there is a limited role for local boards in the **Administration’s proposal** and in the **House bill**, such a role is at the discretion of the governor.

The **Senate bill** provides local boards with the authority to add performance criteria for training providers in their local areas in determining local training providers’ eligibility.

The **Administration proposal** and the **House bill** eliminate the exemption for On-the-Job Training and customized training providers from the state Training Provider List, thus requiring that governors develop criteria for certifying such providers. The Senate bill maintains such exemptions.

### **Challenge Grants – Sec. 127**

**Current law** requires that, whenever the annual appropriation for WIA Youth activities exceeds \$1.0 billion, the Secretary will reserve a portion of the appropriation (but not more than \$250 million) for Youth Opportunity grants and migrant and seasonal farmworker programs.

The **Senate bill’s** approach is similar to Youth Opportunity Grant under current law. No funding can be made available until the Youth formula reaches \$1 billion. Beyond that, up to \$250 million can be used for national grants (renamed Youth Challenge Grants).

Following the Administration proposal, the **House bill** requires that 25% of the Youth formula funding be held at the national level for Youth Challenge Grants.

Both the **Senate bill** and **House bill** drop the reference to migrant and seasonal farmworker programs and change the grants to “Youth Challenge Grants.”

**Comment:** Senate approach is preferable. However we have, despite increases in WIA, more than do not want to lock in to a cap of \$1 billion for the Youth formula despite congressional increases in youth funding.

#### **Unexpended Balances – Sec 128(c)(2) & Sec 133 (c)(2)**

**Current law** requires that the amount available for reallocation of funds for a program year is equal to the unobligated funds in excess of 20 percent from the previous program year.

Both the **House and Senate bills** change “unobligated” to “expended” (based on accrued expenditures), and change the excess amount to 30%. But both bills calculate into the excess amount *all* previous program years.

#### **Local Youth Allocation – Sec. 129**

**Current law** allows up 70% of the local Youth formula allocation to be used to serve in-school Youth. The **House bill** flip-flopped the percentage, allowing only up to 30% for in-school youth. The **Senate bill** allows up to 60% of the Youth allocation to be spent on in-school youth.

**Comment:** The Senate split is preferable and may go far enough to support. Best scenario is to not have any restriction and allow local areas to determine the best use of the funds based on local needs and conditions.

#### **Consolidated Formula & In State Allocation – Sec. 132 & Sec. 133**

The **House bill** consolidates the Adult, Dislocated Worker, and Wagner Peyser funding streams into a combined grant to be formula allocated to states. Under the measure, the combined grant is allocated in-state first by reserving 50% at the state and formula allocating the remaining 50% to local areas. The bill requires that half of the state’s share be distributed to local areas by a state-determined formula that is objective and geographically equitable. Of these amounts, states may use such funds, or a portion of such funds, to employ State Employment Service staff for the delivery of core services, in consultation with local boards. However, such core services must be delivered consistent with local plans.

The **Senate bill** maintains separate funding streams in current law for Adult, Dislocated Worker, and Wagner Peyser, and retains the current in-state allocation of funds.

**Comment:** Support Senate’s position of retaining current law.

#### **Sequence of Services – Sec. 134(c)**

The **Senate bill** eases sequences of services by leaving the participant’s eligibility for intensive or training services up to the One-Stop operator who—after an interview, assessment, or evaluation—determines whether the client’s current services are adequate to move him or her into “self-sufficiency” as determined by the One-Stop operator or One-Stop partner. The Senate bill also includes a special rule under both intensive and training services that a new interview is not required if the operator chooses to use a recent assessment from a previous training or education program.

The **House bill** also eases the sequence by adding eligibility language for intensive and training services to include clients who are “unlikely or unable to obtain suitable employment” as determined by a One-Stop operator. The definition of suitable is left up to the governor to determine.

**Comment:** Senate approach is preferable.

### **Customized Training – Sec. 101(8)(C)**

**Current law** requires that employers pay not less than 50% toward the cost of customized training. The **Senate bill**, under the definition of customized training, eliminates the requirement for a 50% match by employers and allows the local board to determine the appropriate contribution, taking into account such factors as the size of the employer and other factors deemed important by the local board.

The House language is the same as the Senate's.

### **Incumbent Worker Training – Sec. 134**

Like the **House bill**, the **Senate bill** would allow local boards, upon the approval of the governor, to use up to 10 percent of their funds to provide training to incumbent workers, in conjunction with employers. The Senate bill further stipulates that employers would be expected to share the costs of the training on a sliding scale—ranging from 10 percent for employers with fewer than 50 employees to 50 percent for employers with over 100 employees.

**Comment:** Support, but push for more flexibility for local boards to determine cost to employers.

### **General Business Language – Primarily Sec. 134**

The **Senate bill** includes significantly more language than the Administration proposal or the House bill to encourage the delivery of relevant services to businesses and to encourage the development of innovative service strategies to meet the needs, particularly the skill requirements, of employers. Such language is found in the state and local planning requirements; the state uses of funds; the local uses of funds; and the performance measurement provisions of the bill.

**Comment:** CWA drafted much of this language now in the Senate bill and is in full support. The House bill does not contain the language.

### **New Integrated Performance Measures – Sec. 136(b)**

Both the **House bill** and the **Senate bill** reduce or simplify the performance measures for Adults. HR 1261 reduces the number of measures, deletes the credential rate and the customer satisfaction measure and adds an efficiency measure. The Adult measures are:

- Entry into unsubsidized employment;
- Retention in employment six months after entry;
- Increases in earnings; and
- An efficiency measure that would be adjusted to reflect characteristics of local economies and clients.

The House Youth measures are as follows:

- Entry into employment;
- Retention in Employment; Earnings gains
- Efficiency measure

The **Senate bill** does not include the efficiency measure. It retains customer satisfaction and the credential language. The Senate measure also contains under “Additional Indicators” language that a state can identify indicators—in collaboration with local boards, business and industry associations, and employee representatives—that measure the performance of the system in serving the workforce needs and business and industry.

The Senate bill changes slightly the core indicators for youth:

- Entry into employment, education or advanced training, or military service;
- Attainment of secondary school diplomas or equivalents;
- Literacy or numeracy gains

**Comment:** Both House and Senate measures seem to apply performance measures to Core – strikes “except for self service and informational activities.”

CWA is opposed to the inclusion of an efficiency measure. We could perhaps support instead an ROI measure. Support inclusion of customer satisfaction and Senate language on additional indicators.

If the OMB common measures are in addition to the WIA measures, we need to work to exclude the efficiency measure from the common measures.

**Presentation - California Regional Economies Project**

- **Ed Kawahara, Ph.D., Principal Consultant, California Economic Strategy Panel**

## **CALIFORNIA REGIONAL ECONOMIES PROJECT**

The California Workforce Investment Board (State Board) has funded the California Regional Economies Project to provide economic, workforce development and education systems with critical information about the State's changing regional economies and labor markets. The project will deliver the following products for the State's nine economic regions - Northern California, Northern Sacramento Valley, Greater Sacramento, Bay Area, San Joaquin Valley, Central Sierra, Central Coast, Southern California, and the San Diego Border Region:

- Regional Economic Base Reports will be prepared for all nine regions of the state. The reports will cover trends in jobs, income, population and other key indicators for the years 1990-2002. Major industry trends for all regions will be prepared using a standardized set of industries by North American Industry Classification System (NAICS) code. In addition, major trends in each region will be prepared using a region-specific set of industries.
- The Industry Cluster Studies will include profiles at the regional level, cluster dynamics during the years 1990 to 2002, and cluster maps.
- Cross Regional Economic and Labor Studies will identify similarities and differences among regions. The studies will also address issues affecting regional growth and development. Guidelines will be prepared to assist users in applying the Project information and findings to workforce development.

These products will be introduced at a series of regional forums starting with the San Francisco Bay Area Forum on October 17th. The forums will include updates about the region's changing economic base and emerging areas of industry opportunity. The forums are being hosted by Local Workforce Investment Boards in each region. Forum participants will review and comment on the information and methodologies, and begin selecting one industry sector for more in-depth analysis.

The first-round forums are geared specifically to users of economic information for strategic planning and decision-making. Once all nine regional forums are completed, the project team will work with the Local Workforce Investment Boards and partners to host another round of regional forums, this time focusing on the analysis of the chosen industry and the broad requirements to achieve competitive regional economic and workforce advantage. The second-round forums will be geared for business and industry participation.

From October through December, forums will be held in the San Francisco Bay Area (October 17<sup>th</sup>) and three more regions, including the North Sacramento Valley Region on November 14<sup>th</sup>, the San Diego and Imperial Counties Region in early December, and the Central Valley Region in mid-December.

The project is being conducted in partnership with the California Economic Strategy Panel. A Joint Committee, consisting of selected members of the California Workforce Investment Board and the Economic Strategy Panel, is overseeing the Project work.

**Other Business that May Come Before the State Board**